



L. JOYCE HAMPERS
COMMISSIONER

The Commonwealth of Massachusetts

Department of Revenue

Leverett Saltonstall Building,

100 Cambridge Street, Boston 02204

November 4, 1982

You inquire whether the sales or use tax will apply to the sale of a fleet of motor vehicles by Corporation A to Corporation B.

Corporation A is wholly owned by Corporation C. Corporation B is wholly owned by Corporation C. or by a wholly-owned subsidiary of Corporation C.

Casual and isolated sales by a vendor who is not regularly engaged in the business of making sales at retail are exempt from the sales tax (G.L. c. 64H, s. 6(c)), but casual and isolated sales of motor vehicles are generally subject to the use tax (G.L. c. 64H, s. 6(c); c. 64I, s. 7(b)).

Subsection (9) of Sales and Use Tax Regulation 830 CMR 64H.02 ("Motor Vehicles") provides that, except for certain transfers pursuant to business organizations, reorganizations, and liquidations that are not here relevant, transfers of motor vehicles between business enterprises and transfers of motor vehicles between an enterprise and a person who owns an interest in the enterprise are subject to tax.

Based on the foregoing, it is ruled that the sale of the motor vehicles by Corporation A to Corporation B will be subject to tax.

Very truly yours,

A handwritten signature in cursive script, reading "L. Joyce Hampers".

Commissioner of Revenue

LJH:JXD:mf

LR 82-108